



No. 32

July 16, 2003

## **H.R. 2555 – Department of Homeland Security Appropriation Bill for FY 2004**

Calendar No. 192

*Reported by the Committee on Appropriations with an amendment in the nature of a substitute on July 10, 2003, by a vote of 29-0; S. Report 108-86.*

### **NOTEWORTHY**

- H.R. 2555 represents the first annual appropriations bill providing funding for the new Department of Homeland Security. Major funding items in this new department include: Customs and border protection; immigration and customs enforcement; the Transportation Security Administration; Coast Guard; Office for Domestic Preparedness; and Emergency Preparedness and Response.
- As reported to the Senate, H.R. 2555 provides the Department of Homeland Security (DHS) with \$29.33 billion in total obligational authority. Of this total, \$28.52 billion is discretionary spending, which is \$1 billion more than the Administration's request of \$27.5 billion. (Note that these totals exclude \$890 million for biodefense countermeasures, which the Administration included in its request, but which the congressional budget provides for in a reserve fund rather than in discretionary spending).
- The House passed its version of H.R. 2555 on June 24 by a vote of 425-2, providing \$29.4 billion in discretionary spending, which includes \$890 million for biodefense countermeasures. [See further discussion of biodefense funding on p. 5 of this Notice.]

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## Highlights

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H.R. 2555 makes appropriations for the functions of the Department of Homeland Security (DHS) for Fiscal Year 2004.

These functions are organized into six areas by title, to include:

- departmental operations, management, and oversight (Title I) – \$516.3 million;
- citizen and immigration services (Title II) – \$229.4 million;
- security, enforcement, and investigations (Title III) – \$19.44 billion;
- assessments, preparedness, and recovery (Title IV) – \$8.27 billion\*;
- research and development (Title V) – \$871.4 million; and
- general provisions (Title VI)

\*The FY 2004 request included \$890 million for biodefense countermeasures. The Senate bill excludes appropriations for biodefense countermeasures since the FY 2004 budget resolution includes a reserve (mandatory spending) for this activity.

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## House Action

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The House of Representatives approved its FY04 Department of Homeland Security spending bill, H.R. 2555, on June 24, 2003, by a vote of 425-2. The House provides \$29.4 billion in discretionary spending, which is \$1 billion more than the Administration's discretionary spending request, but includes \$890 million for biodefense countermeasures. [For a further discussion of the budgetary impact of this funding, see p. 5 this Notice.]

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## Bill Provisions

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### **Title I - Departmental Operations, Management and Oversight**

In this title, the Committee provides \$516.3 million for Departmental Operations, Management, and Oversight. This is \$63.8 million below the budget request of \$580.1 million, and \$194.7 million above the FY 2003 appropriation of \$321.6 million. The primary spending categories are:

- **Office Funding**: Provides \$83.7 million for the Office of the Secretary and Executive Management and \$167.5 million for the Office of the Under Secretary for Management, which includes \$30.0 million for physical upgrades to DHS headquarters. Also provides \$58.1 million for the Office of the Inspector General.
- **Department-Wide Technology Investments**: Provides \$185 million for the development and acquisition of information technology equipment and related activities, including \$100 million for wireless efforts.

## **Title II - Services**

In this title, the Committee provides \$229.4 million for Citizenship and Immigration Services. This is \$5.6 million below the budget request of \$235 million, and \$11.2 million above the FY 2003 appropriation of \$218.1 million. Funds are used by the Bureau of Citizenship and Immigration Services (BCIS) to administer laws and provide services related to people seeking to enter, reside, work and naturalize in the United States. The Committee notes the delay which many Americans face in gaining entry for foreign-born spouses.

## **Title III - Security, Enforcement and Investigations**

In this title, the Committee provides \$19.44 billion for Security, Enforcement, and Investigations. This is \$781.7 million above the budget request of \$18.7 billion, and \$1.46 billion below the FY 2003 appropriation of \$20.9 billion. The primary spending categories are:

- **US VISIT Technology**: Provides \$380 million for the development of the U.S. Visitor and Immigration Status Technology Project. US VISIT seeks to collect, maintain, and share appropriate information to determine the eligibility of aliens for admissions and benefits.
- **Customs and Border Protection**: Provides \$4.9 billion of direct appropriations (and estimates \$845 million of collections for total resources of \$5.7 billion) for Customs and Border Protection. This includes \$4.4 billion for salaries and expenses to fund border security, immigration, customs, agricultural inspections, aircraft acquisition and operation, the purchase/lease of 4,500 police-type vehicles, and other expenses.
- **Immigration and Customs Enforcement**: Provides \$2.5 billion of direct appropriations and a transfer of \$424.2 million (and estimates \$273 million of collections for total resources of \$3.2 billion) for Immigration and Customs Enforcement. This includes \$2.2 billion for salaries and expenses to fund enforcement of immigration and customs laws, detention and removals, investigations, the purchase/lease of 1,600 police-type vehicles, and other expenses. Also included is \$257.3 million for Air and Marine Interdiction, Operations, Maintenance and Procurement.

- **Transportation Security Administration:** Provides \$5.4 billion for the TSA. This includes \$4.5 billion for aviation security to cover passenger screening, baggage screening, and airport support and enforcement presence. Also included is \$295 million for maritime and land security (port, bus, cargo, etc.), and \$433 million for administration. The title also provides for \$2.07 billion in offsetting collections.
- **U.S. Coast Guard:** Provides \$6.9 billion for the U.S. Coast Guard. This includes \$4.7 billion for operating expenses (such as pay, and vessel and aircraft maintenance) to perform search and rescue, fisheries enforcement, and defense readiness activities. Also included is \$1.04 billion for acquisition, construction and improvement of vessels, aircraft and other tools, and \$1.02 billion in mandatory funds for retired pay.
- **US Secret Service:** Provides \$1.1 billion for the U.S. Secret Service. This covers expenses such as pay, the purchase of up to 730 vehicles, hire of aircraft, services of expert witnesses, enhancements to White House mail screening and processing, and \$3.6 million for the James J. Rowley Training Center.

## **Title IV - Assessments, Preparedness and Recovery**

In this title, the Committee provides \$8.27 billion for Assessments, Preparedness and Recovery. This is \$631.2 million below the budget request of \$8.9 billion (including the biodefense funding), and \$977.9 million above the FY 2003 appropriation of \$7.29 billion. The primary spending categories are:

- **Counterterrorism Fund:** Provides \$20 million to cover unanticipated costs associated with counterterrorism.
- **Federal Law Enforcement Training Center:** Provides \$201.4 million for FLETC, which provides the necessary facilities, equipment and support for training Federal law enforcement personnel. This funding includes \$28.7 million for expansion and maintenance of facilities.
- **Office for Domestic Preparedness:** Provides \$3.6 billion for the Office for Domestic Preparedness. This includes \$2.9 billion for grants, contracts and other agreements with State and local governments – specifically, \$1.8 billion is designated to be allocated in a formula grant program, \$30 million is for technical assistance, \$750 million is for discretionary grants to high-threat urban areas, and \$358 million is for national programs. Also included in the \$3.6 billion provision is \$750 million for firefighter assistance grants.
- **Emergency Preparedness and Response:** Provides \$3.6 billion for Emergency Preparedness and Response. This includes \$826.8 million for operating expenses, \$1.95 billion for disaster relief, \$200 million for flood map modernization activities, \$165 million for

Emergency Management Performance Grants, \$153 million for the Emergency Food and Shelter program, and \$3.6 million for the Office of the Under Secretary for Emergency Preparedness and Response.

- **Information Analysis and Infrastructure Protection:** Provides \$834.1 million for Information Analysis and Infrastructure Protection in order to identify and assess threats, map threat information against vulnerabilities, issue warnings, and take preventative action. The funding includes \$98.5 million for cyber-security, \$293.9 million for critical infrastructure, \$155.1 million for the National Communications System, and \$10.5 million for the Office of the Under Secretary for Information Analysis and Infrastructure Protection.
- **Biodefense Countermeasures:** The Senate bill excludes appropriations for biodefense countermeasures since the FY 2004 budget resolution includes a reserve (mandatory spending) for this activity. For instance, the FY 2004 Concurrent Budget Resolution (Report 108-71) “reserves \$5.6 billion in funding over 10 years to allow the Department of Homeland Security to procure, for inclusion in the Strategic National Stockpile, countermeasures necessary to protect the public health from current and emerging threats of chemical, biological, radiological or nuclear agents.” The House measure, however, recommends such funding be considered discretionary and thus allocates \$890 million for biodefense efforts in FY 2004. Accordingly, the House appropriators voted on June 17 to update their original 302(b) allocations by an additional \$890 million. Ultimately, the decision will need to be decided in conference to determine how best to fund such efforts.

## **Title V - Research and Development**

In this title, the Committee provides \$871.4 million for Research and Development. This is \$68 million above the budget request of \$803.4 million, and \$319.5 million above the FY 2003 appropriation of \$551.9 million. This funding is used to support basic and applied research, development of prototypes, and procurement of systems designed to mitigate effects of weapons of mass destruction. It includes \$244 million for biological countermeasures, \$131 million for nuclear and radiological countermeasures, \$72 million for critical infrastructure protection, \$18 million for cyber-security, and \$5.4 million for expenses of the Office of the Under Secretary for Science and Technology.

## **Title VI - General Provisions**

This title is composed of General Provisions concerning the Working Capital Fund, bequests and gifts, expense limits for official receptions, importation of goods made with indentured child labor, and other topics.

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## Administration Position

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No Statement of Administration Policy (SAP) on the bill as reported to the Senate was available at press time.

On June 23, the Administration released a SAP on the House-reported bill. The Administration supported House passage of H.R. 2555, but recognized that the bill exceeded the President's request by more than \$1 billion. The SAP noted that it would work with Congress to return to within the top line funding level agreed to between the two branches of government. In the SAP, the Administration also offered its view on several H.R. 2555 provisions (Project BioShield, First Responder Coordination, U.S. VISIT, headquarters, and Constitutional concerns), but did not state that it would veto the bill over these concerns.

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## Cost

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The Committee, in consultation with the Congressional Budget Office, estimates the bill provides \$28.521 billion in discretionary budget authority and \$831 million in mandatory budget authority.

The Senate-reported version of H.R. 2555 would result in the following outlays: \$17.8 billion in FY 2004, \$7.1 billion in FY 2005, \$2.6 billion in FY 2006, and \$827 million in FY 2007, and \$724 million in FY 2008 and future years.

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## Possible Amendments

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As of press time, there were no known amendments. However, amendments are possible.

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